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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Ordinance No. 1798 Entitled, "An Ordinance of the Lodi City Council Amending Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Section 13.20.210, Schedule EM, Relating to Mobile Home Park Service Rates"

MEETING DATE: June 6, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1798.

BACKGROUND INFORMATION: Ordinance No. 1798 entitled, "An Ordinance of the Lodi City Council Amending Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Section 13.20.210, Schedule EM, Relating to Mobile Home Park Service Rates" was introduced at the regular City Council meeting of May 16, 2007.


ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: None,

FUNDING AVAILABLE: None required.


Randi Johi
City Clerk

RJ/jmp

Attachment

APPROVED: 
Blair King, City Manager

ORDINANCE NO. 1798

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING
CHAPTER 13.20, "ELECTRICAL SERVICE," BY REPEALING
AND REENACTING SECTION 13.20.210, SCHEDULE EM,
RELATING TO MOBILE HOME PARK SERVICE RATES

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.210 is hereby repealed and reenacted to read as follows:

APPLICABILITY:

This schedule is applicable to service supplied to mobile home parks through one meter and sub-metered to all individual mobile home units.

RATES:

Minimum Charge \$5.00

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
\$/kWh	\$0.1420	\$0.1450	\$0.2235	\$0.3180	\$0.3300

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier	0	482	626	963	>1,443
Ending Tier kWh/month	481	625	962	1,443	

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier kWh/month	0	392	509	783	>1,173
Ending Tier kWh/month	391	508	782	1,173	

MARKET COST ADJUSTMENT (MCA):

A market cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will reflect amounts charged the City of Lodi by various suppliers of bulk power not covered in the above rates.

BILLING CYCLE CHARGE (MONTHLY BILL):

The Billing Cycle Charge is the higher of the Minimum Charge or the sum of the Customer Charge, Energy Charge, Discount and MCA.

SPECIAL CONDITIONS:

- (a) This rate is available only for mobile home park master metering in service prior to March 31, 1989.
- (b) It is the responsibility of the master-metered customer to notify the City Finance Department within **15** days following any change in the number of occupied mobile home park units wired for service.
- (c) Miscellaneous electric loads such as general lighting, laundry rooms, general maintenance, and other similar use incidental to the operation of the premises as a multi-family accommodation will be considered domestic use.
- (d) To qualify for Single Household Alternative Rate for Energy (SHARE) the sub-metered tenants of the master-metered City of Lodi Customer will submit an application, including the tenant's unit number, to the City of Lodi Finance Department. The City of Lodi Finance Department will notify the master-metered Customer of the tenant's certification.
- (e) Certification will be required to determine income eligibility for the SHARE program. Sub-metered tenants of the master-metered City of Lodi Customer must sign a statement upon application indicating that the City of Lodi may verify the sub-metered tenant's eligibility at any time. The master-metered Customer, not the City of Lodi, is responsible for extending the SHARE program to tenants certified to receive them. If verification establishes that the SHARE tenant is ineligible, the tenant will be removed from the master-metered Customer's qualified tenants and the City of Lodi may render corrective billings.
- (f) An additional medical discount is available as described in Schedule MR, Residential Medical Rider.
- (g) The master-metered Customer shall not bill any sub-metered tenant more than that tenant would be billed if that tenant were an individual customer of the City of Lodi. For a qualifying SHARE tenant, the master-metered Customer shall bill the qualifying tenant at the applicable rates equivalent to Schedule ED, Residential SHARE Program Service. A non-qualifying tenant shall be billed at the same rate that the City bills the park owner, excepting the Master Meter / Sub-Meter Discount.
- (h) The master-meter/sub-meter rate discount provided herein prohibits further recovery by mobile home park owners for the costs of owning, operating and maintaining their electric sub-metered system.
- (i) Mobile home park owners must submit their billings to the Electric Utility Department semi-annually for auditing to ensure compliance with this section.

FIXED INCOME DISCOUNT

For those customers who are on fixed incomes below \$45,000 annually and who are over 62 years of age, and do not qualify for any other discount, a discount of 5% shall apply to the electric bill. Procedures as to qualification will be established by the Electric Utility Department.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.


SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

SECTION 6. This amended Schedule referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 6, 2007, or the first date allowable under State law.

Approved this 6th day of June, 2007



BOB JOHNSON
MAYOR

ATTEST:


RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1798 was introduced at a regular meeting of the City Council of the City of Lodi held May 16, 2007, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held June 6, 2007, by the following vote:

AYES COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

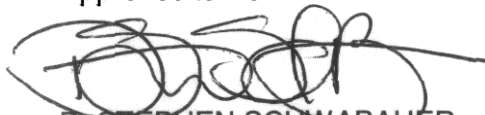
ABSTAIN: COUNCIL MEMBERS – None

I further certify that Ordinance No. 1798 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.



RANDI JOHL

Approved to Form:



D. STEPHEN SCHWABAUER
City Attorney

L-1

Randi Johl

From: Randi Johl
Sent: Wednesday, June 06, 2007 11:16 AM
To: City Council
cc: George Morrow (Lodi EUD); Blair King; Steve Schwabauer
Subject: FW: Mobilehome Park Electric Rates - Ordinance - June 6 Hearing

Importance: High

Please note Mr. Morrow's response below to Mr. Baum.

-----Original Message-----

From: George Morrow (Lodi EUD)
Sent: Wednesday, June 06, 2007 7:32 AM
To: Blair King
Cc: Jim Krueger; Steve Schwabauer; Randi Johl
Subject: RE: Mobilehome Park Electric Rates - Ordinance - June 6 Hearing
Importance: High

I wanted to take a moment to respond to the three points raised by Mr. Baum below.

Issue 1: The proposed Ordinance reflects the motion made by the City Council at its last meeting and is consistent with Staff's desire to provide the park owner's discount on an average month basis rather than on a daily basis. (Note: The end result on an annualized basis is identical for all practical purposes using either method.)

Issue 2: The proposed Ordinance reflects the motion made by the City Council at its last meeting that an audit be performed by EUD on a twice a year basis (bi-annual or semi-annual). While Staff had proposed a "biennial" audit (e.g. once every two years), a twice a year audit is not opposed by Staff and has merit in that mistakes can be caught and rectified on a more timely basis. Staff will issue guidelines to park owners related to the scope and form of the semi-annual audit.)

Issue 3: The proposed Ordinance reflects the motion made by the City Council at its last meeting. As Mr. Baum indicated, this issue is probably one of semantics. While it would be possible to enhance the language to improve clarity/interpretation, Staff's interpretation of the present Ordinance language is consistent with Mr. Baum's desired outcome, e.g. that the park owner's may charge individual tenants using the same tier schedule contained in the EM (or EA) rate tariff.

Consequently, EUD is comfortable moving forward with the second Ordinance reading. We do intend, however, to make some general rate schedule "clean-up" changes sometime in the near future and, as Sondra Huff indicated to Jeri McLees, this would **be** a good opportunity to clarify EM tariff language.

Please let me know if I can provide any further thoughts.

-----Original Message-----

From: Randi Johl
Sent: Tuesday, June 05, 2007 7:20 PM
To: 'jeriqeg'
Cc: Blair King; Jim Krueger; George Morrow (Lodi EUD); Steve Schwabauer
Subject: RE: Mobilehome Park Electric Rates - Ordinance - June 6 Hearing

Thank you for your email. It was received by the City Council and forwarded to the appropriate department(s) for information, response and/or handling.

Randi Johl, City Clerk

-----Original Message-----

From: "jeriqeg" <jeriqeg@comcast.net>
To: "Randi Johl" <rjohl@lodi.gov>; "Susan Hitchcock" <hitchcock@lodi.gov>; "Bob Johnson"

<bjohnson@lodi.gov>; "JoAnne Mounce" <jmounce@lodi.gov>; "Phil Katzakian" <pkatzakian@lodi.gov>; "Larry Hansen" <lhansen@lodi.gov>
Sent: 6/5/07 4:17 PM
Subject: Mobilehome Park Electric Rates - Ordinance - June 6 Hearing

The issue of the Mobilehome Park electric charges will be before you tomorrow evening, June 6. Unfortunately I am unable to attend the meeting but did want to share with you some ongoing concerns - we are so close to a resolution but I fear that passage of the ordinance currently proposed is going to cause unnecessary confusion, frustration and place us, once again, in trying to follow the "letter" of the ordinance while being unable to do so for several reasons. Although I know you are anxious to resolve this issue, it seems to me that the City should want - most of all - that the ordinance passed be correct, understandable by all and reflect the intent of the city Council and the City Electric Department. The proposed ordinance does not do that.

As background, last week my business manager, Jeri McLees, received a copy of the draft ordinance from the City Electric Department. She found what she considered three discrepancies in the draft and immediately contacted Sondra Huff - Sondra concurred with the concerns and indicated that she was proposing language to the City Attorney to clarify the issues, and that she had no reason to believe that the suggestions would not be accepted. Jeri left for the weekend and upon her return found that the language discussed was not contained in the ordinance which is before you. She contacted Sondra on the morning of June 4 and was advised a few hours later that any "changes would have to come back as amendments (which 'we' (the City) would do at another meeting" and the ordinance would be voted on June 6 as no changes could be made. Sondra went on to say that the intention of the items discussed (between the Electric Department and the parkowners) were in alignment (meaning that we were in agreement with what needed to be said/done).

Why proceed with passing an ordinance that we know must be amended? Why not wait and make the corrections at the June 6 meeting and then vote on an ordinance that is clear and understandable to all?

There are three problems with the current proposal - all of which can easily be fixed with just verbiage changes. Those problems are:

1) the City Council agreed that the parkowners would receive the same amount of discount as PG&E receives. However, as written there is a question as to how this would be determined (a 12 month amount or an amount based on 365 days, as is used by PG&E).

2) the City Council agreed that there should be bi-annual (every two years) audits of the parks' billings. The proposed ordinance says that the parks must submit our "billings" semi-annually (every six months) for audit. This means that every six months every bill for every mobilehome park resident in Lodi will have to reviewed by management, confidential information removed/redacted and then submitted to the City of Lodi. The City Electric Department has told us in writing that they will not require audits more than once every two years unless there was a problem - but as proposed, the ordinance would require us to submit this information every six months. The proposal doesn't tell us "when" (i.e., June, August, December, ??) but just states "semi-annually". If we don't submit them we are in violation of an ordinance.

3) Of most significance is the language relating to the billing of our residents. As I understand it, it was the City Council's intention that the residents of mobilehome parks should be billed at the same rate as residents of site-built homes AND that the City was going to ensure that the EA (residential rates) and the EM (mobilehome park) rates were the same in the future. The proposed language however, says that an individual non-qualifying resident (i.e., one not qualified for SHARE or other discounts) must be billed at the same rate as the parkowner. It's a question of semantics but from a practical standpoint it means that if the aggregate our bill for all of our residents

remains at the Tier 1 level, then all of our residents would have to be billed at Tier 1 -- even if we had a resident who was using much more electricity and should be billed at Tier 2 or 3. The City Electric Department has agreed that we need to modify the ordinance so that it is very clear that each resident is to be billed at the tier their individual consumption reaches, regardless of the tiers the park owner is billed at, and the park owner would received the "per pad" discount outlined above. We agree with that alteration BUT until altered our billing company would have to follow the "letter" of the law, not the "intent".

We all know that the income to the City for the change in the EM rate is considerably less per month than originally predicted and thus we believe that to wait just a short while to get the proper amendments in place and agreed upon just makes good sense for all concerned.

I urge you to direct the City Attorney to work with the City Electric Department to prepare the appropriate correct language and then submit it to you for approval. That would be the right decision for the mobilehome parkowners and park residents of Lodi.

Sincerely,

James W. Baum

baum209@hotmail.com